

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 AGR-10 IO-14 /117 W
-----101810Z 021620 /45

R 101643Z JUN 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 4910

UNCLAS SECTION 01 OF 02 LONDON 09600

E.O. 11652: N/A
TAGS: EPAP, ETRD, ICO
SUBJECT: COFFEE -- ADMINISTRATIVE BUDGET FOR 1977/78

REF: LONDON A-350 OF MAY 20, L977

1. REFAIR TRANSMITTED INTERNATIONAL COFFEE ORGANIZATION (ICO) DOCUMENT EB 1511/77 OF 28 APRIL 1977, DRAFT ADMINISTRATIVE BUDGET FOR FINANCIAL YEAR 1977/78. THIS DOCUMENT HAS BEEN REVIEWED TWICE BY THE ICO FINANCE COMMITTEE (U.S. IS MEMBER). ON APRIL 25, AN EXHAUSTIVE REVIEW OF THE SECRETARIAT'S PRELIMINARY DRAFT WAS UNDERTAKEN DURING AN INFORMAL MEETING OF THE COMMITTEE AND CERTAIN SUGGESTIONS WERE MADE WHICH WERE REFLECTED IN EB 1511. A SECOND, FORMAL REVIEW, WAS HELD ON JUNE 1. THE DOCUMENT WILL AGAIN BE REVIEWED BY THE EXECUTIVE BOARD AT ITS MEETING ON JUNE 15-16. AFTER CONSIDERATION BY THE BOARD, THE BUDGET WILL BE SENT TO THE COUNCIL FOR ADOPTION, DURING ITS SEPTEMBER MEETING.

2. THE TABLE BELOW SUMMARIZES PROPOSED EXPENDITURE:

(MILLIONS U.S. \$)

CATEGORY	AUTHORIZED	PROPOSED	PERCENTAGE
1976/77	1977/78	CHANGE	

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A. RECURRENT TOTAL 2.41 2.74 13.7

(1) PERSONNEL

(GROSS)	1.75	2.02	15.4
(2) OTHER	0.66	0.72	9.1
B. CAPITAL	.04	.01	-75.0
C. SPECIAL	.02	-	-L00.0
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TOTAL: \$2.47 \$2.75 1L.3

NET FIGURES (2.13) (2.33) (9.4)

NOTE: NET FIGURES ARE ARRIVED AT BY EXCLUDING "INTERNAL TAX ON SALARIES", \$428,495; AFTER DEDUCTING INTERNAL TAXES AND MISCELLANEOUS REVENUE, ASSESSMENT FIGURE WOULD BE \$2,195,492 (11.2 PERCENT ABOVE PREVIOUS YEAR), OF WHICH THE U.S. SHARE WILL APPROXIMATE 18.25 PERCENT OR \$400,677.29.

3. COMMENTS:

(A) PERCENT CHANGE. THERE IS A DECLINING TREND IN THE RATE OF INCREASE. THE 11.3 PERCENT INCREASE IN THE GROSS TOTAL, 1977/78 OVER 1976/77, IS DOWN FROM 21.5 PERCENT FOR 1976/77 OVER ACTUAL EXPENDITURE FOR 1975/76.

(B) PROGRAM GROWTH. NO CHANGES ANTICIPATED; THERE ARE NO BUILDING PLANS NOR CAPITAL EXPENDITURE BEYOND CAPITAL REPLACEMENT (EQUIPMENT) REQUIRED FOR CURRENT OPERATIONS.

(C) DOMESTIC INFLATION. A 15 PERCENT FACTOR IS APPLIED TO THOSE LINE-ITEMS PARTICULARLY SUBJECT TO DOMESTIC INFLATION (E.G. GENERAL SERVICE STAFF SALARIES). ON THE BASIS OF TRENDS THROUGH APRIL 15, 1977 IN THE CONSUMER PRICE INDEX SUGGESTING A (RISING) TREND OF ABOUT 22 PERCENT, THE SECRETARIAT REQUESTED A 20 PERCENT FACTOR AS A HEDGE. U.S., U.K. AND OTHER DELS RESISTED THIS ON BASIS OF U.K. GOVERNMENT ESTIMATES THAT INFLATION SHOULD BE GRADUALLY BROUGHT UNDER CONTROL OVER THE

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NEXT SEVERAL MONTHS. FIFTEEN PERCENT FACTOR WAS ACCEPTED BY U.K. DEL AS REASONABLE.
(D) EXCHANGE RATE. LATEST U.N. OPERATIONAL RATE OF U.S. 1.71 TO 1 POUND STERLING USED IN DRAFT. APPROPRIATE ADJUSTMENTS WILL BE MADE IF THE U.N. RATE CHANGES PRIOR TO BUDGET APPROVAL IN OCTOBER. (NOTE: COMMITTEE AGREED LAST MINUTE ADJUSTMENTS COULD BE MADE IN INFLATION FACTOR AS WELL).

4. AS GENERAL COMMENT, PROJECTED INCREASE PRIMARILY FALLS ON PERSONNEL-RELATED LINE-ITEMS WHERE DOMESTIC INFLATION HAS PARTICULARLY GREAT IMPACT. ICO HAS LITTLE OR NO CONTROL OVER SUCH INCREASES AND THE 15 PERCENT INFLATION FACTOR IS TO COVER, INTER ALIA, COST-OF-LIVING BOOSTS WHICH CAN REASONABLY BE EXPECTED ON BASIS OF RECENT EXPERIENCE WITH U.K. INFLATION. ADJUSTMENTS TO PROFESSIONAL CATEGORY SALARIES (E.G. POST ADJUSTMENTS) FOLLOW THE U.N. PRACTICE. GENERAL SERVICES WAGE SCALES ARE OERIODICALLY REVISED ON THE BASIS OF A SYSTEM COMMON TO ALL LONDON-BASED COMMODITY ORGANIZATIONS, THE SCALE PUT INTO EFFECT BY THE U.N. SPECIALIZED AGENCY HERE, IMCO (WHICH IN TURN TAKES THE U.S.

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EMBASSY'S WAGE SURVEY AS ITS STARTING POINT).

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, BUDGETS, DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON09600
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770208-0118
Format: TEL
From: LONDON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770669/aaaacitt.tel
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Litigation Codes:
Litigation History:
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Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 LONDON A-350
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2197957
Secure: OPEN
Status: NATIVE
Subject: COFFEE -- ADMINISTRATIVE BUDGET FOR 1977/78
TAGS: EPAP, ETRD, UK, ICO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/7a27667f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009